



Pennsylvania Cable Network

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Office of the Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

In the Matter of :

Closed Captioning and Video Description :  
of Video Programming

Implementations of Section 305 of the  
Telecommunications Act of 1996

BBM Docket No. 95-176

#### Summary

It is submitted on behalf of the Pennsylvania Cable Network (PCN), a cable network serving the geographic area of Pennsylvania with programming responsive to the interests and needs of Pennsylvania as a community, that Closed Captioning would be operationally impractical, financially prohibitive, and would place in serious jeopardy the continuation of PCN service under all of the circumstances affecting PCN's viability.

It is further submitted that PCN as a nonprofit corporation serving Pennsylvania with the stated programming be included within the class exempt from Closed Captioning on the pertinent factors to be taken into account under the applicable legislation.

#### PCN, Its Mission and Programming

The Pennsylvania Cable Network was organized August 29, 1979 as a nonprofit corporation by Pennsylvania cable companies. Its purpose was to provide a cable television network as a public service for the distribution of educational programming by Pennsylvania institutions of higher learning under the leadership of The Pennsylvania State University.

PCN was the first educational cable television network in the nation. Its educational program service--first known as **PEMMARAMA** and then as **I tv**--was made available on PCN 24-hours a day with college courses for credit, literacy training materials, and enrichment programs.

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In addition to Penn State a number of institutions of higher learning have participated in the educational program service, including especially the University of Pittsburgh, Bloomsburg University of Pennsylvania and other Universities of the State System of Higher Education, and several Community Colleges.

In 1990, PCN redefined its mission to be...

A Cable Network Responsive to the Interests and Needs of Pennsylvania and Its People as a Community, and Featuring Educational and Public Affairs Programming.

As of November, 1993, PCN started providing public affairs programming in prime time, with gradually increasing hours of coverage; and since January, 1996 such programming is provided from 12:00 noon to 12:00 midnight on Monday through Friday and from 6:00 p.m. to 12:00 midnight on Saturday and Sunday, with educational programming being provided during the rest of the 24-hour service period.

PCN's public affairs programming provides televised coverage of public events in which citizens of Pennsylvania have a common interest, and offers viewers the opportunity to watch their state government in action in hearings and floor proceedings of the General Assembly. PCN covers news conferences, speeches, panel discussions, and other events at which Pennsylvania public policy is debated, discussed, and decided. The network also covers events which give insight into historical, cultural, business, and educational aspects of the Commonwealth.

PCN service is provided by participating cable companies as a public service and is funded solely through per subscriber payments by the participating cable companies; PCN receives no government or foundation grants.

#### PCN Resources

PCN adopted a business plan in connection with the start of public affairs programming three and one-half years ago, assuming an annually increasing level of participation by Pennsylvania cable television systems. Today, there is commitment to PCN carriage by a little more than half of the 3,400,000 cable subscribers in the state, less than was projected in the business plan. This was the result in substantial part of the raregulatory and financial burdens which have faced Cable, as well as limited channel capacity.

Consequently, PCN has experienced larger start-up losses than anticipated, and these will continue over a longer period. In fact, the longterm financial viability of PCN has not been definitely established, although the PCN leadership is confident in the worth and acceptance over time of the programming.

Even if the PCN operation eventually establishes that it can be self-sustaining, under all of the circumstances it cannot be expected to be much more than marginally so if PCN is to maintain the level of performance to compete with other program services.

In order to maintain its present range of per subscriber monthly charges of \$.065 to \$.085 (depending on the total subscriber count) and which is the most that our market will bear in the competition we face, PCN operational costs must be maintained at the lowest possible level to make the very most of available resources. Because of the limited universe of Pennsylvania cable subscribers as against the scope and scale of the programming service for the performance of PCN's mission, the strain on PCN resources will be an ongoing challenge.

#### Cost of Closed Captioning

Although we have not yet completed a comprehensive analysis of the cost of Closed Captioning for our operation, we have identified some of the costs that would be incurred. We have determined that the personnel costs would add at least 40 percent to our direct personnel costs for public affairs programming, not counting additional administrative and management costs. We have also determined that the material and equipment costs to institute Closed Captioning would consume more than we will be budgeting for capital costs for public affairs programming alone for the next two and one-half years. It is scarcely necessary to take into account other operational costs, indirect costs, and intangible burdens to our small enterprise to conclude that the cost of Closed Captioning would be prohibitive.

#### Closed Captioning and State/Regional Networks

As Cable has moved toward increasing program diversity and responding to a variety of more narrow interests, it is still true that a substantial part of cable programming is nationally sourced and directed to the mass audience.

PCN is unique in its mission and performance to date, but we believe that the development of state and regional networks which can be responsive to the wide range of non-Federal governmental issues and state and regional matters affecting the governance and the quality of life of people, is a much-needed application of cable technology.

While Close Captioning requirements may be manageable financially and operationally by the nationwide mass programming suppliers, the imposition of these requirements on the newly developing state and regional networks unfairly discriminates against them as they develop to provide needed services. The application of the Closed Captioning requirements must take into account their effect among various appropriate classes of programming suppliers and their competitive relationship in the market.

**Conclusion**

For the reasons above stated, the application of the requirement of Closed Captioning to PCN programming would not result in making it accessible to the persons intended to be benefited, but rather would place in serious jeopardy the continuation of PCN service for Pennsylvania and its people as a community.

Taking into account the nature and cost of providing Closed Captioning; its impact on the operations of PCN; the financial resources of PCN; the cost of Closed Captioning, considering the relative size of the market served; the cost of Closed Captioning considering that the programming is produced and distributed for Pennsylvania; and the nonprofit status of PCN, it should certainly be included within a defined class to be exempt from the requirement of Closed Captioning.

Respectfully submitted,



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